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TAGS: PREL PGOV PINS ECON IR IZ

SUBJECT: AMBASSADOR AND VP ABDEL MEHDI DISCUSS VIOLENCE IN SOUTH

Classified By: Ambassador Ryan C. Crocker for reasons 1.4 (b) and (d).

¶1. (C) In a May 21 meeting, Vice President Adel Abdel Mehdi expressed his deep appreciation to the Ambassador for the assistance given by the USG to ISCI leader Abdelaziz al-Hakim. He thanked the USG for its quick facilitation of all steps leading to the diagnosis and treatment of al-Hakim, including his appointment at the Combat Support Hospital (CSH) and transportation to and from MD Anderson in Texas. "We are very, very grateful for all that you have done."

DeBaathification Reform and the Hydrocarbon Law

¶2. (C) Abdel Mehdi told the Ambassador he had submitted a revised draft deBaathification reform law to Prime Minister Maliki and Vice President Tarik al-Hashemi for their consideration. (Note: One of Abdel Mehdi's staff members confirmed on the margins of this meeting that Abdel Mehdi worked by himself on the deBaathification revisions, not engaging his staff. End note.) Turning to the hydrocarbon law, the Ambassador told Abdel Mehdi that he was pressing KRG Prime Minister Nechirvan Barzani to come to an agreement on revenue sharing provisions. The U.S., the Ambassador continued, had developed a proposal to bridge the KRG and GOI proposals. Abdel Mehdi said he doubted that a "bridge" would work because it would be too complicated: "You can't have two commissions and four required signatures." He argued that the budget process and the Ministry of Finance should play a larger role in revenue sharing and warned that the governorates did not have the capacity to play a more independent role.

Concerns About Security in the South

¶3. (C) The Ambassador told Abdel Mehdi he was very concerned about the security situation in the south, particularly after announcement of an apparent deal between the Diwaniya and Provincial Council (PC) with Jaysh al-Mahdi (JAM) that called for banning coalition forces, and perhaps even the Iraqi Army, from entering the city of Diwaniya. Abdel Mehdi agreed that the deal appeared very dangerous. He said that ISCI had discussed it earlier in the day and that he would follow up with a call to the governor of Diwaniya. The Ambassador emphasized that that it was critical to reverse this deal, because if it stood it would be a signal to JAM that they stood to gain from a sustained campaign of violence. He suggested that JAM would likely not be increasing the level of violence across multiple provinces in the south unless Iran was somehow involved. Noting that Iran supported both SCIRI/Badr and JAM and that these two groups sometimes attacked each other, the Ambassador said he was perplexed about Iran's motives. Abdel Mehdi said he had expressed the same concern recently to the Iranian Ambassador, who had denied supporting JAM. The Ambassador reiterated the

importance of keeping the pressure on JAM.
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